

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 435 – SB 695

March 6, 2017

SUMMARY OF ORIGINAL BILL: Authorizes the Alcoholic Beverage Commission (ABC) to issue citations for various violations and specifies the maximum fine amount for such citations. Authorizes the selling or serving of alcohol or beer that has been donated to a special occasion licensee. Authorizes charitable, nonprofit, and political organizations to accept donations of alcohol to serve or sell. Defines wine as a product of grapes or other fruit. Specifies additional authority of ABC. Specifies that if a county-wide referendum for retail food store wine licensing or the legal sale of alcoholic beverages for consumption on the premises is approved in a county, the sales shall be permitted in any municipality that participated in the referendum, regardless of population requirements.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$100/ABC

SUMMARY OF AMENDMENT (004614): Deletes language in the original bill regarding the definition of wine.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the ABC, this legislation codifies current interpretations and practices and will therefore not impact fine revenue or the operations of the ABC.
- Based on information provided by the ABC and the Department of Revenue, there may be an increase in the number of special occasion licenses issued by ABC.
- The fee for a special occasion license is \$100 per day. It is reasonably estimated that at least one additional special occasion license will be issued annually to a charitable, nonprofit, political, or other organization in order to serve alcohol that has been donated.
- A recurring increase in state revenue estimated to exceed \$100 to ABC for licensing fees.

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- Any additional tax revenue related to special occasion licensees serving or selling donated alcohol is estimated to be not significant.
- Tenn. Code Ann § 57-3-101 defines municipality as an incorporated town or city having a population of 925 persons or more.
- According to the ABC, the population limit only currently applies to where package retail stores may locate.
- There will be no significant increase in the number of retail package licensees.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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